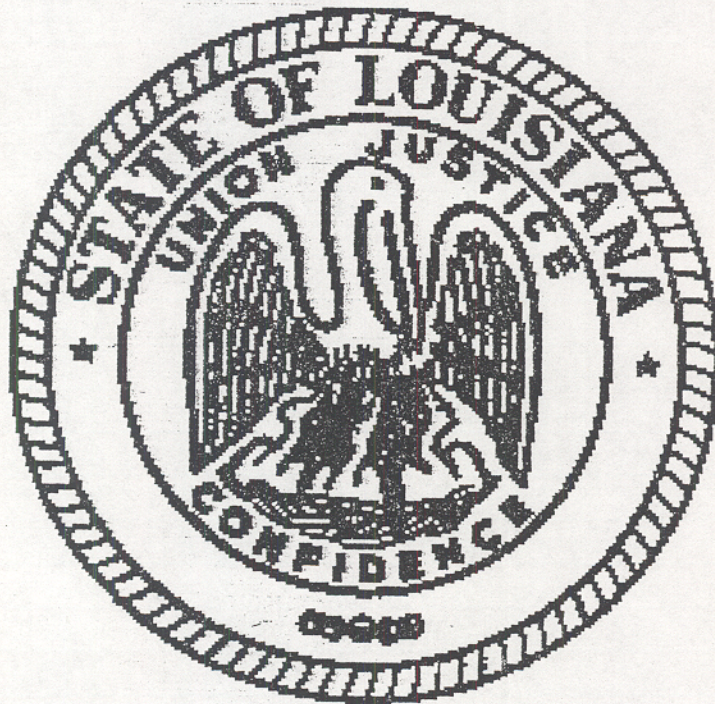


OFFICE OF THE GOVERNOR



Division of Administration
Office of Risk Management

Annual Report
June 30, 1997

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A Message from the State Risk Director

The fiscal year 96-97 was a year of accomplishment for the Office of Risk Management (ORM) and the Self Insurance Program for the State. Once again the administration of the program was left to the management of ORM with no fiscal participation by the State Legislature.

The Office of Risk Management was again allowed to bill premiums on a modified actuarial basis, to State agencies, to fund the Self Insurance Program. It engaged its Claims Section to process claims aggressively. At the same time, new programs were instituted to assist Agencies with drivers' education and other important safety related issues.

The Director of the Office of Risk Management was given the opportunity to address a number of representatives from Wall Street who were seeking information on plans being made to improve the financial stability of the State of Louisiana. The improvements outlined for the Self Insurance Program had a significant impact on the improved bond rating received by the State subsequent to these meetings.

During fiscal year 96-97, the Assistant Director, Evon Wise continued coordination of a Quality Control Program for the Office of Risk Management. Improvement in internal procedures, in premium development, budgeting, strategic planning, quality of work, and work execution have all occurred as a result of this focus.

Management of ORM recommended that it be allowed, by the Legislature, to institute a Safety discount/surcharge program as part of its Premium Billing that will be tied to agencies successfully passing ORM's Loss Prevention audit. It is perceived by ORM management that this action will provide a great incentive for its loss prevention program. The large number of bills submitted for consideration during the last Legislative Session prevented this bill from getting the attention it needed for passage. It is anticipated that in 1998 this will pass and ORM will be able to develop this new phase of its billing procedure.

I would like to take this opportunity to express my appreciation to the employees of the Office of Risk Management for their hard work and commitment to excellence that helps the Agency reach its goals. In addition, the Director and Assistant Director wish to thank the Governor, the Commissioner of Administration and their staff for the guidance and support extended to ORM during this past year.

Seth E. Keener, Jr.
State Risk Director

Office Profile

Mission Statement

The mission of the Office of Risk Management (ORM) is to develop, direct, achieve and administer a cost effective comprehensive risk management program for all agencies, boards and commissions of the State of Louisiana and for any other entity for which the state has an equity interest, in order to preserve and protect the assets of the State of Louisiana.

History

The Office of Risk Management was created within the Division of Administration by R.S. 39:1527, et seq., in order to provide a comprehensive risk management program for the State.

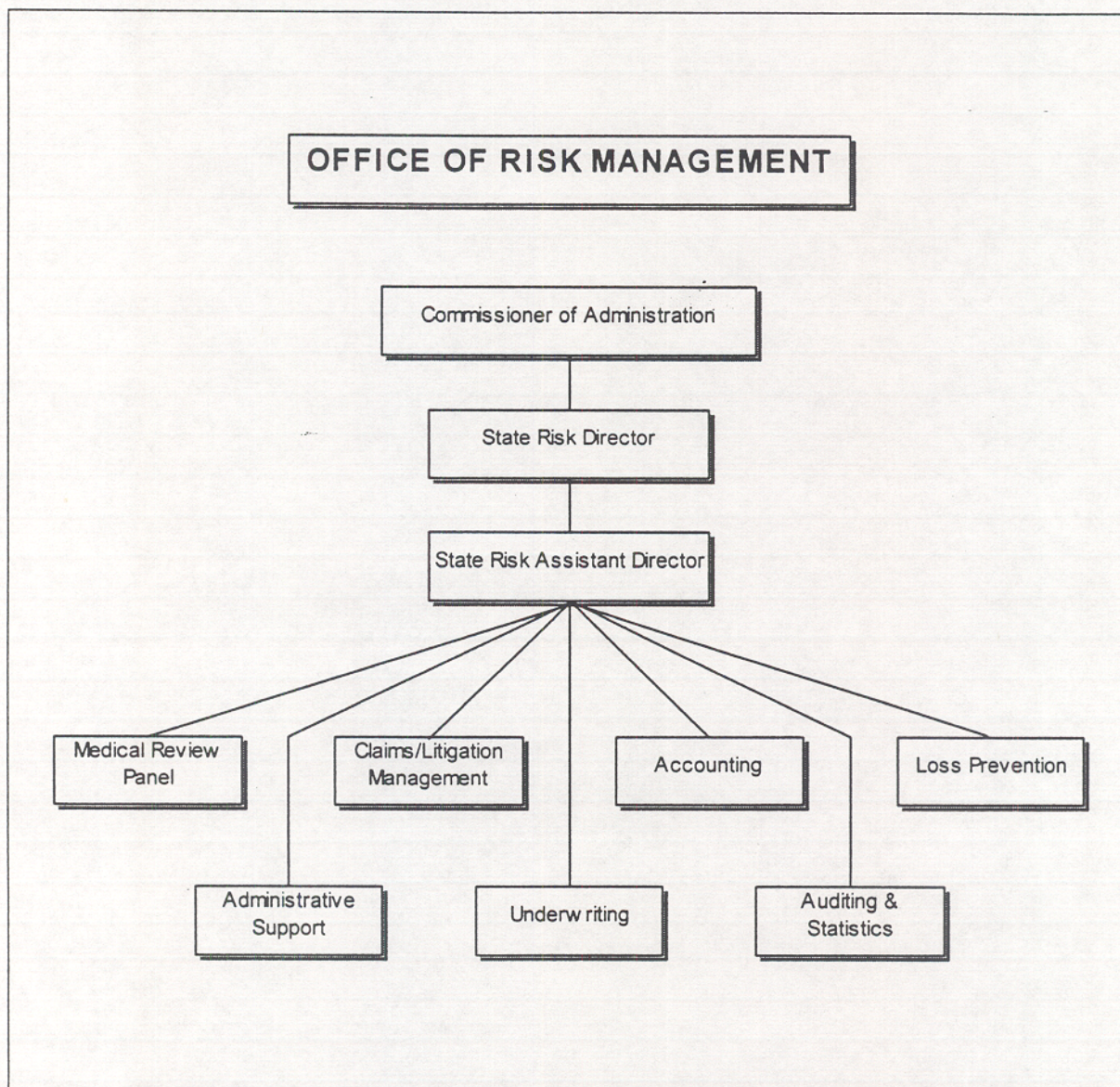
Coverages Provided

R.S. 39:1527, et seq., further designates the Office of Risk Management to be solely responsible for all Property and Casualty and Worker's Compensation insurance purchased by ORM or self-insured by ORM for all State departments, agencies, boards, and commissions.

The Office of Risk Management provides Workers' Compensation coverage to all of the State's approximately 104,277 employees. Coverage is provided for State property valued at \$7,312,779,745. ORM also provides coverage for employee bonds, crime, automobile liability and physical damage, comprehensive general liability, personal injury liability, boiler and machinery, medical malpractice, road hazards and miscellaneous tort coverage for those tort claims not otherwise covered.

Other coverages are provided as needed, such as excess over self-insurance, specific excess for crime, aviation, wet marine, and bridge property damage.

Organizational Chart



Office Directory

Main Office

Mailing Address

P.O. Box 94095
Baton Rouge, LA 70804-9095

Location Address

626 N. 4th Street
Baton Rouge, LA 70802

Telephone: (504) 342-8500

Fax: (504) 342-8418

Loss Prevention Branch Offices

Belle Chase

C/O Metropolitan Development Center
251 F. Edward Hebert Blvd.
Room 65, Administration Bldg.
Belle Chase, LA 70037
(504) 394-1200 Ext. 296

Lafayette

101 Rue Iberville, Suite 103
Lafayette, LA 70508
Telephone: (318) 262-5580

Luling

107 Maryland Drive, Suite C
Luling, LA 70070
Telephone: (504) 785-1846

Monroe

122 St. John Street
Post Office Box 1661
Monroe, LA 71210-1661
Telephone: (318) 362-3308

Pineville

Suite 102, Euclid Street
Pineville, LA 71360
Telephone: (318) 487-5014

Shreveport

State Office Bldg.
1525 Fairfield Ave., Box 2
P.O. Box 37631
Shreveport, LA 71133-7631
Telephone: (504) 676-7647

Claims Branch Offices

Kenner

Airport Commerce Center
1919 Veteran's Blvd.
Suite 301
Kenner, LA 70065
(504) 471-2739

Lafayette

101 Rue Iberville, Suite 103
Lafayette, LA 70508
Telephone: (318) 262-5113

Monroe

122 St. John Street
Post Office Box 1661
Monroe, LA 71210-1661
Telephone: (318) 362-3307

New Orleans

1541 Tulane Avenue
Butterworth Building, Room 111
New Orleans, LA 70140
Telephone: (504) 568-6825

Pineville

Suite 102, Euclid Street
Pineville, LA 71360
Telephone: (318) 487-5701

Shreveport

State Office Bldg.
1525 Fairfield Ave., Box 2
P.O. Box 37631
Shreveport, LA 71133-7631
Telephone: (504) 676-7649

Office Directory

Auditors

Office of the Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

Telephone: (504) 339-3900
Fax: (504) 339-3870

Actuary

Tillinghast-Towers Perrin
1200 Riverplace Boulevard
Suite 610
Jacksonville, FL 32207-1803

Telephone: (904) 398-5661
Fax: (904) 399-8267

Management Team

State Risk Director

Seth E. Keener, Jr.
Telephone: (504) 342-8500
Fax: (504) 342-8418

State Risk Assistant Director

Evon L. Wise
Telephone: (504) 342-8500

Accounting Officer

Pamela Whiteside
Telephone: (504) 342-8427

Auditing & Statistics Manager

Elaine Raiford
Telephone: (504) 342-3420

Claims Officer

Bob McCardle
Telephone: (504) 342-8433
Fax: (504) 342-3845

Loss Prevention Manager

Fred Connors
Telephone: (504) 342-8479

Underwriting Manager

Patricia Reed
Telephone: (504) 342-8472

Achievements

Accounting

The Accounting Unit of the Office of Risk Management has completed another successful year and continues to provide management with accurate, timely, fiscal data to enable and enhance the decision making process. The Accounting Unit underwent major changes this year due to the implementation of the Contracts Financial Management System for tracking and paying contracts.

In addition to the routine daily activities that support the functions listed below, the Accounting Unit officer and managers were involved in providing specialized information and analyses for the Director, Commissioner, Assistant Commissioner and on an "as needed" basis for the Division of Administration, Office of State Planning and Budget, Joint Legislative Committee on the Budget, Legislative Fiscal Office and other agencies statewide.

Cash Management of \$200 million

Accounts Payable

Accounts Receivable

Fixed Asset Management

Payroll processing for 139 employees

Imprest Fund System

Bank Reconciliation for approximately 7000 checks monthly

Cost Accounting and Analyses

Monitoring and Quality Control on Claims Management System

Budget Preparation for total budget of \$239 million

Budget Monitoring by cost center (monthly) on 23 cost centers

Actuarial Reporting on 15 lines of self-insurance for claim reserves totaling in excess of \$1 billion

Maintenance of a computerized accrual Accounting System for financial reporting of 18 lines of insurance for managerial purposes and a modified accrual basis system for state wide financial reporting

Billing documents for each of the 200 state billing entities on ISIS

Processing of all travel expense reports for approximately 75 employees

Assisting with Premium Development on 15 lines of self-insurance

Processing Litigation Division/Department of Justice payments and entry to Claims System

Distribution of approximately 7200 checks per month